A study of unemployment compensation programs in different states led me to conclude that most of them demanded higher contributions than were necessary to pay the established benefits, or provided benefits too low in relation to contributions. The unemployment insurance agencies in the states had, of course, noticed this discrepancy, evidenced by a rapid accumulation of reserves, and, along with the improvement of the benefit formula, were cutting down the contribution rates by following the principle of experience rating for individual industries and sometimes individual concerns. I tried to facilitate such adjustments by developing actuarial formulas for long-range estimates of the cost of unemployment benefits under alternative assumptions concerning business conditions, pattern of labor turnover, benefit rates, maximum duration of benefits, and so on. It seemed to me that these formulas, translated into a series of tables, could be used for unemployment insurance estimates in the way mortality and survival tables are used in life and pension insurance. Later my method was adopted by almost all the states. Perhaps this was my only significant contribution to the development of social security.

ECONOMIC FORECASTS

The problem of economic mobilization was solved in a truly American way—without elaborate blueprints, as an upsurge of improvisation amidst apparent confusion. The government allocated orders for munitions to enterprises that were eager to get them although they had neither experience in the field nor the necessary equipment and labor force. Contractors sent out scouts to get workers wherever they could find them. Unskilled workers were upgraded after a brief in-job training. Women were called upon to replace men at the lathes and benches. Old people formerly considered unemployable went back to work. Recruiting agents invaded universities and high schools. They stopped workers at the gates of textile factories in New England and in front of garment shops in New York and offered them free tickets to jobs in California at wages two or three times those they were earning.

As a result, the labor force gravitated to the points where it was most needed. The problem of mobilizing civilian labor was practically solved before interdepartmental conferences had agreed upon a plan of action. A bill for national service was introduced in Congress when the war was approaching its end and industry had started demobilization.

I also participated in several interdepartmental commissions that